Agenda Date: 6/4/03 Agenda Item:III C



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF
TKR CABLE COMPANY OF WILDWOOD, INC.)
FOR RENEWAL OF A CERTIFICATE OF
APPROVAL TO CONTINUE TO OWN,
OPERATE AND MAINTAIN A CABLE
TELEVISION/ COMMUNICATIONS SYSTEM
IN THE BOROUGH OF CAPE MAY, COUNTY
OF CAPE MAY, STATE OF NEW JERSEY

DOCK

RENEWAL
CERTIFICATE OF APPROVAL

DOCKET NO. CE01040233

Stryker, Tams & Dill, Newark, New Jersey, by Dennis Linken, Esq., for the Petitioner.

City Clerk, City of Cape May, New Jersey, by Elaine Wallace, for the City.

BY THE BOARD:

On April 15, 1981, the Board granted Teleprompter Corporation ("Teleprompter") a Certificate of Approval in Docket No. 7911C-6596 for the construction, operation and maintenance of a cable television system in the City of Cape May ("City"). On June 3, 1981, in Docket No. 814C-6777, the Board approved the merger of Teleprompter into a wholly owned subsidiary of Westinghouse Broadcasting Company, Inc. Group W. Cable, Inc. ("Group W"), which concurrently transferred the Certificate for the City. On June 16, 1986, the Board approved in Docket No. CM8603307, the transfer of the Certificate from Group W to TCI of New Jersey, Inc. ("TCI"). On or about September 17, 1987, the Board approved the transfer of the Certificate of Approval from a division of TCI, TCI of Wildwood, Inc. ("Wildwood") to TKR Cable Company of Wildwood, Inc. d/b/a TKR Cable Company ("Petitioner") in Docket No. CM87060515. On July 19, 1991, the Board issued a Renewal Certificate of Approval to Petitioner, in Docket No. CE90091000. The Petitioner was an indirect wholly owned subsidiary of AT&T Corporation. On April 27, 2001, the stock of the Petitioner was transferred to a subsidiary of Comcast Corporation, which was renamed Comcast Cablevision of Wildwood, Inc., in Docket No. CM00110923. Although the Petitioner's above referenced Certificate expired on April 15, 2001, it is authorized to continue to provide cable television service to the City pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the City on July 12, 2000, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. On March 6, 2001, after public hearing, the City adopted an ordinance granting renewal municipal consent to the Petitioner. On March 22, 2001, the Petitioner formally rejected the ordinance.

On April 12, 2001, pursuant to N.J.S.A. 48:5A-17(d), the Petitioner filed with the Board for a renewal of its Certificate of Approval for the City. The Petitioner alleged that the City, by adopting a renewal municipal consent ordinance that was unacceptable to the Petitioner, was arbitrary, capricious and its decision was unsupported by the record. On May 10, 2001, the City filed an answer to the petition.

Discussions took place between the parties and culminated in a settlement that resolved the matter. Pursuant to those discussions, the City adopted an ordinance granting renewal of its municipal consent on September 17, 2002. On October 28, 2002, the Petitioner's successor accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24. On November 27, 2002, the Petitioner's successor filed an amended petition with the Board.

The Board has reviewed the application for municipal consent, the petition and amended petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board <u>HEREBY</u> <u>FINDS</u> the following:

- 1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. Further, these qualifications were reviewed by the City in conjunction with the municipal consent process.
- 2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is ten years. The Board finds the duration to be reasonable.
- 5. The Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate (Appendix "I"). The minimum homes per mile ("HPM") figure is 35.
- 6. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates, and promptly file any revisions thereto.
- 7. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the City. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
- 8. The Petitioner shall maintain a local business office or agent, within the Cape May County Service Area, for the purpose of receiving, investigating and resolving complaints. The Petitioner currently maintains a local office located at 4315 New Jersey Avenue, Wildwood, New Jersey.
- 9. The franchise fee to be paid to the City is specified to be 2% of the Petitioner's gross

revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the City, as required by the ordinance. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.

- 10. The Petitioner has agreed to provide public, educational and governmental ("PEG") access channels and equipment in accordance with its renewal application and the ordinance. The Petitioner shall continue to provide one channel dedicated to PEG access to be shared with surrounding municipalities. An additional access channel shall be provided when the existing channels reach a programming saturation point as described in the ordinance.
- 11. Upon reasonable request, the Petitioner shall provide video production training opportunities for the Cape May Board of Education and the Star of the Sea School. The Petitioner shall also provide, free of charge, a special production training program pursuant to the ordinance. Scheduling of such training will occur as requested by the Lower Cape May Regional School District's Superintendent of Schools or such other entity that has production responsibility for the PEG channel. The program will be structured as stated in the ordinance to train individuals on the use of equipment and the production of community-based programs.
- 12. The Petitioner shall provide standard installation and basic cable service, free of charge, to one outlet to: a) each public and private school in the City; b) the Cape May City Hall; c) Cape May City Police Station; d) Cape May Fire station; e) the City Municipal Building; f) all other municipal buildings occupied by the City; and g) all buildings occupied by the County of Cape May within the City, including the Cape May County Library, and any senior centers, nutrition centers and community centers.
- 13. The Petitioner shall meet with the City on a semi-annual basis at the City's request to review and discuss billing and service related complaints of City subscribers and other issues of concern to the City.
- 14. When high speed Internet access via cable modem service from the Petitioner is available to the City, the Petitioner shall provide one free, non-networked cable modem and Internet access to: a) the Cape May Branch of the Cape May County Library; b) Cape May Elementary School; and c) the Star of the Sea School. The Petitioner shall further assist the City in obtaining discounts for all other municipal and county facilities in the City.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u> that, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>, that the Petitioner has complied or is ready to comply with all applicable rules and regulations imposed by or pursuant to State and federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the City.

This Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the operating standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> §76.1 <u>et seq.</u> including but not limited to, the technical standards 47 <u>C.F.R.</u> §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or the Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire April 15, 2011.

DATED:	June 5, 2003		BOARD OF PUBLIC UTILITIES BY:
		(signed) JEANNE M. FOX PRESIDENT	
		TRESIDENT	
(signed)			(signed)
FREDERICK F. BUTLER COMMISSIONER			CAROL J. MURPHY COMMISSIONER
(signed)			(signed)
CONNIE O. HUGHES COMMISSIONER			JACK ALTER COMMISSIONER
ATTEST:			
(sigr	ned)		
	STI IZZO CRETARY		